

Congress of the United States
Washington, DC 20515

March 29, 2017

The Honorable Rex W. Tillerson
Secretary
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Tillerson and Secretary Mnuchin:

In anticipation of your Administration conducting a full review of our nation's intellectual property laws and policies, we write to bring to your attention the Office of Foreign Assets Control's (OFAC) unprecedented decision to grant a license to allow Cubaexport, an entity wholly-owned by the Cuban government, to renew an expired trademark registration for Havana Club rum in the United States. Cubaexport claims rights to the Havana Club registration through its confiscation, without compensation, of the Jose Arechabala Company (JASA). We are deeply concerned about the implications of this decision for American intellectual property rights holders.

In 1997, OFAC revoked a prior license when Cubaexport attempted to transfer rights to the illegally obtained trademark to Pernod Ricard, its joint venture partner. Subsequently, OFAC denied a license to Cubaexport in 2006 when Cubaexport attempted to renew this illegally obtained trademark registration. Until January 2016, OFAC and the State Department have consistently followed long-standing U.S. and international policies and laws that protect rightful intellectual property owners from piracy. These policies also serve as a deterrent to those who seek to profit from uncompensated confiscations.

OFAC had previously based its decisions to deny or revoke the license to Cubaexport on the facts and conclusions that came out of years of litigation; primarily that JASA used the Havana Club name until it was expropriated by the Cuban government in 1960 and that neither JASA, nor its successor, has ever consented to Cubaexport's or any of its partners' use of the Havana Club name. This most recent decision to grant a license to Cubaexport to renew an expired trademark places an illegally-obtained and expired trademark back in the hands of the regime that illegally confiscated it. Moreover, we are concerned that the effects of OFAC's granting such a license to the Cuban regime are not limited to Havana Club alone, and that this decision could undermine our national interests by diluting our nation's protections against the expropriation of American intellectual property by foreign governments.

We note that OFAC has previously relied upon laws such as Section 211 in making its licensing decisions. The law states:

Notwithstanding any other provision of law, no transaction or payment shall be authorized or approved pursuant to Section 515.527 of title 31, Code of Federal Regulations, as in effect on September 9, 1998, with respect to a mark, trade name, or commercial name that is the same as or substantially similar to a mark, trade name, or commercial name that was used in connection with a business or assets that were confiscated unless the original owner of the mark, trade name, or commercial name, or the bona-fide successor-in-interest has expressly consented.

We believe that OFAC's decision to depart from precedent is untenable and that the Executive Branch should continue to honor our nation's intellectual property laws and policies, including Section 211, when making its licensing decisions. In accordance with Section 211, OFAC should determine: (a) whether the trademark that is the subject of the proposed renewal application is the same or similar to one that was used in connection with a business or assets that were confiscated, and (b) whether the renewal applicant has obtained the consent of the original owner of the stolen mark or the latter's bona fide successor-in-interest to register or renew that mark.

Although some have argued that a change in our *foreign policy* towards Cuba necessitated the approval of Cubaexport's OFAC license, we reject this argument as misguided, for it glosses over the *intellectual property policy* implications of granting such a license, and ignores applicable law.

Further, we seek clarification as to why OFAC departed from precedent and declined to apply Section 211 to this most recent application for renewal of Cubaexport's license, since a change in our foreign policy should not override application of the law. In particular, we hope your Administration will examine how OFAC's approval of a license to allow Cubaexport to renew its expired trademark registration can be reconciled with Section 211, as well as with US policy norms that protect intellectual property rights holders against the effects of foreign confiscations.

We remain concerned about the implications of this decision for American intellectual property rights holders and within all applicable rules and regulations, urge your Administration to review this OFAC decision. Thank you for your attention to this important matter.

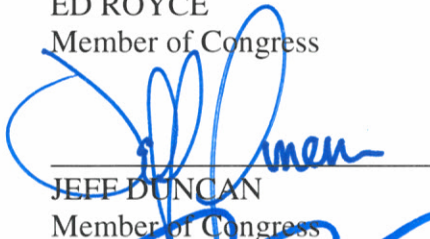
Sincerely,



ILEANA ROS-LEHTINEN
Member of Congress



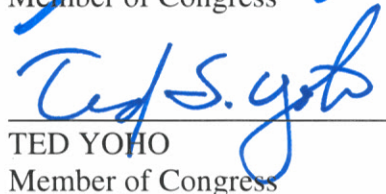
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JEFF DUNCAN
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MARIO DIAZ-BALART
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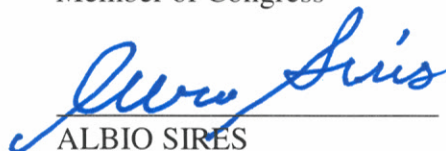
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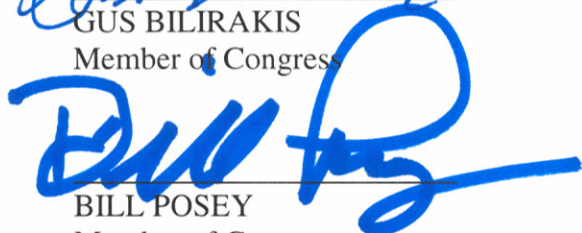
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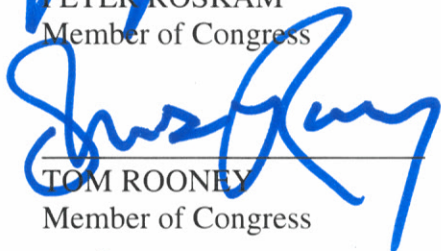
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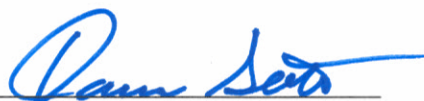
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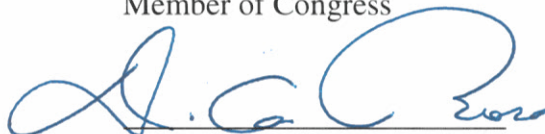
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